

Israel's Strategic Environment: Elements, Challenges, and Policy Recommendations

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Seven years after the onset of the upheaval in the Middle East and two years since the implementation of the nuclear deal between the world powers and Iran, the main contours of the region's emerging reality – including the actors, rivalries, partnerships, front lines, power relations, and behavior of the major powers – are becoming clear. Now, after nearly one full year at the Washington helm, the nature of the Trump administration and its influence on the domestic arena, the Middle East, and the global stage are also coming into sharper view. All of these factors shape Israel's current strategic environment and influence the different policy alternatives at its disposal to advance its core interests. As Israel approaches the 70th anniversary of its independence, it can be confident in its strong national security balance. At the same time, Israel's strategic environment has witnessed changes that present it with both challenges and significant opportunities.

Elements of Israel's Strategic Environment

Israel is strong and stable, and enjoys quiet borders. In 2017, Israel maintained its military superiority in the Middle East and its ability to deter state and non-state adversaries, as well as semi-state entities close to its borders such as Hezbollah, Hamas, and the Islamic State (ISIS). This deterrence – based on the lessons of previous military clashes with these elements and Israel's proven willingness to take action when necessary to

exact a maximum price, even at the risk of escalation – explains the calm along Israel’s borders, which has existed for 11 years in the north and three in the south. Israel’s deterrence has also stood the test of its resolute activity against the shipment of weapons to Hezbollah and against the tunnels in the southern arena, for which, in contrast to its traditional circumspectness, Israel has assumed responsibility. The balance of Israel’s non-military power is also positive: in contrast to the destruction and substantial economic challenges in the surrounding Middle East, the Israeli economy is strong and stable, allowing it to bear the burden of security needs. Indeed, it has become a center of attraction and a model of emulation due to its innovation in hi-tech, the cyber realm, agriculture, and entrepreneurship. Despite the negative impact of Israeli policy regarding the Palestinian issue, Israel has managed to preserve and advance its foreign relations in the international arena, particularly with the major world powers.

The United States under the Trump administration. The Trump administration is friendly and sympathetic to Israel, and Israel and the United States see eye-to-eye on most aspects of the Middle East strategic picture. However, the United States’ influence on the region continues to wane and its international status has weakened. Positive developments for Israel have included US efforts to strengthen its relations with its major allies in the region (Saudi Arabia, Egypt, and Israel); the US view of Iran as a major rival and threat to regional stability that must be contained; US activity against the use of chemical weapons by the Assad regime in Syria; American diplomatic support of Israel in the Security Council and other UN institutions; and most recently, the formal recognition by the US of Jerusalem as the capital of the State of Israel.

On the other hand, it is still unclear where the administration will position itself, between its tendency toward isolationism and a focus on American domestic problems on the one hand, and its rhetoric on the need to strengthen US military power and America’s willingness to use massive force against its enemies around the world on the other hand. The administration has not formulated an overall strategy to achieve its goals and has not demonstrated a willingness to take action that exceeds what was taken by the Obama administration. The Trump administration’s current priorities include its crisis with North Korea, legislative efforts, and the “Russiagate” investigations,

and its institutions and the administration's bodies remain weak and only partially staffed. As a result, its ability to engage in the ongoing and systematic management of a variety of complex issues is limited. In the Middle East, the main policy objective of forcing the collapse of the Islamic State in Syria and Iraq is nearly achieved, and Washington appears to be tempted to proclaim "victory" and thereby detach itself from excessive commitment in the region. Israel must take into account the considerable gap between what it regards as positive statements and extremely minor diplomatic and military action. In addition, the growing polarization in the American political system and the increasing Israeli closeness to the President makes it difficult for Israel to position itself as a bipartisan issue and increases the risks for when the political pendulum swings back and the Democrats regain control. In this context, it is important to note the growing rift between Israel and American Jewry (most of whom oppose Trump), primarily against the background of the Israeli government's policy on the issues of religion and state and civil society. This divide has intensified with the encouragement of anti-Semitic forces and those seeking the delegitimization of Israel, as they become more sophisticated in their activity, approach new audiences, and strive to do long term damage to the status of Israel and the personal security of Jews.

Russia has emerged as the major victor of the last two years in the Middle East. Against the background of its relative economic weakness and its international isolation following its annexation of the Crimean Peninsula and the war in Ukraine, Russia managed to solidify its status in the Middle East through its military involvement in Syria. Russia's intervention in the war in Syria more than two years ago, which was based on limited but high intensity power, changed the direction of the war. Russia achieved all its goals by means of measured intervention in Syria, proving that there sometimes are military solutions – that is, if those seeking them employ them correctly and with determination. Russia's protégé, the Assad regime, reasserted its control over most Syrian territory, and Russia achieved preeminence as the leading international political actor shaping and stabilizing the Syrian arena, while at the same time marginalizing and weakening the United States. Russia also established military, naval, and air foundations for its strategic presence in the country for generations to come. And it did all this without entrapment in the Syrian "quagmire," as President Obama predicted would

occur. Russia has succeeded in maintaining good relations with all the actors in the Middle East, even those who are bitter rivals of one another: Iran and Saudi Arabia; Israel and the Palestinians; Turkey and the Kurds; and Egypt and Qatar. In the global arena, Russia is enjoying the expanding strategic vacuum left by the Trump administration that was created by the administration's policies and the paralysis of its governing systems, against the background of the investigation of its contacts with Russia and Moscow's possible involvement in the US presidential election.

Israel's relationship with Russia is complicated: in the short term and on a tactical level, by means of strategic dialogue and operational channels of de-confliction, Israel has succeeded in maintaining a certain freedom of operation in Syria without encountering friction with Russian forces. Israel and Russia also share a fundamental interest in stabilizing the arena and minimizing clashes. Nonetheless, on a strategic level, a fundamental conflict of interest exists between Israel and Russia, which has allowed Iran and its proxies to establish themselves in Syria, provided them with the backing to do so, and striven in the process to weaken the United States and undermine US influence. In the international arena, Russia continues to support traditional Palestinian positions, and it appears that those who seek a Russian veto of anti-Israel resolutions in the UN Security Council will remain with unrequited hopes.

China: an economic and infrastructure power with a low strategic profile. Against the background of its fierce economic competition with the United States, China has positioned itself as a leading responsible actor in the global economic system and in international institutions. China's primary interest lies in Asia and the Pacific, where there is growing competition between the superpowers. In the Middle East, China has left the political-security landscape – and the military and international political costs of this landscape – to Russia and the United States. In the meantime, it continues to focus primarily on the economic realm and engage in symbolic diplomacy, while limiting itself to a minor military presence in agreed-upon international undertakings, such as peacekeeping forces and anti-pirating operations. Like Russia's policy in the Middle East, Chinese policy is based on parallel relations with all relevant parties in the region, including those that are rivals of one another, such as Saudi Arabia and Iran. China also has relations with Israel, which it

sees as an important source of innovation and technology. China's political position on Israel's disputes with its neighbors falls on the Arab-Muslim side of the divide, as do its voting patterns in international institutions. Still, a number of processes are indicative of early signs of a change in policy in the region. China's interests in the region in terms of investments, projects, and the scope of Chinese workers are intensifying, and must be considered in conjunction with its energy needs and its interest in the security of shipping routes. The strategic One Belt, One Road initiative ("The New Silk Road") indicates increasing potential for Chinese involvement in the economies of the region and its infrastructure. China's goals, as recently defined, include becoming a world and maritime power with modern armed forces that enable it to defend its own interests throughout the world. In addition to its first military base outside of China, established in Djibouti, there are Chinese security exports to the Middle East, with an emphasis on "niches" such as unmanned aerial vehicles, in accordance with trends in China's military buildup and the Chinese defense industries. This presumably bespeaks a moderate increase in the profile of its political activity in the region and, from a multi-year perspective, of its military-security impact on Israel's strategic environment. China's activity, however, has not been Russian or American in style but is, rather, characterized by "Chinese attributes." Today Israel enjoys little if any influence on China's political positions on issues relating to it. Furthermore, it possesses little awareness of Chinese policy in general and in the region in particular.

Iran and the nuclear issue. Although the Trump administration opposes the nuclear agreement with Iran and Trump has referred to it as "the worst agreement it has ever seen," the JCPOA has been honored over the past year by both sides. Although he did not verify Iran's fulfillment of the terms of the agreement and refused to certify that it served American interests, the President did not authorize United States withdrawal from the agreement. The decision on the matter was transferred to Congress. Parties within the United States and US allies who thought that the agreement's annulment would do more damage than good succeeded in persuading the administration that it would be preferable instead to seek its improvement. In a speech he delivered on October 13, 2017, President Trump emphasized the need to rectify the shortcomings of the nuclear agreement, led by its sunset clauses,

which lift most of the restrictions on Iran; the quality of the supervision of its undeclared sites and weapons-related activity; and the ballistic missile program, which was left vague in UN Security Council Resolution 2231. It is difficult to imagine how the agreement could be improved unilaterally – for example, through Congressional legislation – in a situation in which the other world powers that are party to the agreement are unlikely to cooperate. In this case, the administration will be called on to fulfill its promises, and pressure will once again be exerted on President Trump to withdraw from the agreement. Unilateral action taken by Congress or by executive order should be evaluated as to whether it does more harm than good on this complicated issue, especially if Iran estimates that the agreement’s implementation is still in its best interest. In the meantime, neither the United States nor any other parties have made preparations for the period of 10-15 years after the onset of the agreement’s implementation, when the major restrictions on Iran’s nuclear program will be lifted and Iran will be free to resume massive operation of its nuclear infrastructure. This in turn will significantly reduce its breakout time to a nuclear weapon.

The Iranian challenge in Syria following the decision in the civil war.

The war in Syria has been decided in favor of the pro-Assad coalition, and this has strengthened the camp consisting of Iran and its supporters and weakened the Sunni axis. The Assad regime has regained control over most of the territory it lost during the civil war; the Islamic State has lost its territorial holdings; and the opposition to the regime has been significantly weakened. However, the civil war has not ended, fighting is expected to continue, and the political process of shaping Syria’s future will be ongoing and complicated. Israel’s main challenge in this context is Iran’s intention to solidify its presence in Syria on a military and infrastructural level, which would allow it to threaten Israel on a scale not yet seen in this arena, with an emphasis on deploying advanced weapons and large scale Shiite militias. The joining of forces of the Iranian-Shiite camp and the Sunni political Islam camp – led by Turkey, Qatar, and the Muslim Brotherhood movement – is a problematic development that aggravates the threat from the north and demands ongoing scrutiny. Still, it is important to emphasize that “the Iranians are not at Israel’s fences” and that the threat is still in its initial stages of evolution. It should therefore be considered as an enemy

force buildup in an adjacent area, similar to Hezbollah buildup in Lebanon. In addition, a military deployment in Syria presents major limitations for Iran (such as high costs and long supply lines) and provides Israel with a comfortable space for intelligence gathering and attractive targets to attack in a nearby and familiar area.

The defeat of the Islamic State and the emergence of a new form of global jihad. The past year has witnessed the significant weakening of the Salafi jihadist axis as a result of the decisive action taken by the global and regional coalition to destroy it. The Islamic State lost almost its entire primary territorial stronghold in Iraq and Syria, although both it and al-Qaeda still possess limited strongholds in the Middle East (in the Sinai Peninsula, North Africa, and Yemen) and elsewhere. In the current context, “Islamic State 2.0” – meaning, the return to a non-territorial movement or a shift to new bases – is quite plausible. The ideology is attractive, particularly among Muslim populations that feel deprived and oppressed. Islamic State cells, and individuals inspired by the group, have the distinct potential to engage in terrorist activity and undermine stability in Arab countries and around the world, and to a lesser extent, in Israel as well.

The moderate Sunni camp has been weakened, but a significant change is currently underway in Saudi Arabia. The pragmatic Sunni camp has failed to stop the spread of the Iranian axis in Syria, where the war has been decided in favor of the Russian-Iranian coalition; in Yemen, from where the Houthis continue to launch missiles into the heart of Saudi Arabia; and in Lebanon, where Hezbollah and Iran continue to gain in status. It has also failed in its diplomatic campaign to cut Qatar off from Iran and the Muslim Brotherhood. The defeat of the Islamic State in Iraq has likewise increased the influence of Iran and the Shiite militias. Throughout the Middle East, the Iranian-led axis is perceived as victorious, which in turn has motivated the Sunni axis states to invest greater resources in their struggle against Iran. This axis is led by Saudi Arabia, which is currently undergoing a dramatic internal process of change in leadership. Crown Prince Mohammed bin Salman, who in practice runs the kingdom, is establishing control over the military centers of power, fighting corruption, working to moderate the religious establishment, and implementing a more aggressive policy against Iran. The success of bin Salman's social and economic measures, and a peaceful succession of King

Salman, could position him as a “Saudi Atatürk” and advance the model of a non-violent Arab Spring guided from the top down. However, in light of the large number of concurrent challenges bin Salman currently faces, a scenario whereby Saudi Arabia is drawn into a difficult period of internal instability is not at all unlikely. This would have major significance for the balance of power and stability in the Middle East as a whole.

In the Palestinian arena: deadlock, reconciliation, and expectations regarding President Trump’s “ultimate deal.” 2017 saw continued political deadlock in the Israeli-Palestinian arena. In the security realm, Israel has continued to maintain a comfortable situation and deterrence and security calm vis-à-vis the Gaza Strip, and suffered a relatively low number of attacks and casualties in Judea and Samaria and inside Israel’s borders. It has also maintained effective deterrence in general. The peace was likewise kept in the aftermath of an incident involving several casualties from the ranks of the Islamic Jihad during the destruction by the IDF of one of the group’s tunnels. Nonetheless, the possibility remains of uncontrolled escalation as a result of incidents on the ground, even if both sides are not interested in a clash. Overall, however, the dynamics indicate that the military resistance front against Israel has been ineffective. Abu Mazen’s strategy of internationalizing the conflict was also halted this year by the resolute resistance by the new US administration to any attempt to harm Israel in the international arena and the Security Council. The failure of the two strategies pursued by the Palestinians in the past two decades – the strategy of terrorism on the one hand, and the internationalization of the conflict on the other hand – is liable to lead them to a “strategy of one state.”

At the same time, a number of developments in the internal Palestinian arena have the potential to encourage significant processes, whether toward continued separation or even escalation between the sides, or toward a resumption of the political process. First is the desire of Palestinian Authority Chairman Mahmoud Abbas – who appears aware of the imminent end of his tenure and upcoming leadership changes in the PLO and the Palestinian Authority – to leave his legacy and help shape the future of the Palestinians before he leaves office. As a result, and quite uncharacteristically, he has displayed much greater assertiveness and a willingness to take chances. Second is the leadership change in Hamas and the rise of a local leadership

that has come to understand the price paid by the organization in Palestinian public opinion as a result of its international political isolation and its failure to extricate the Gaza Strip from its current economic and social crisis. Against this background, Hamas is attempting to draw closer to Egypt while maintaining its ties to Iran, which are essential for its military wing. These developments have been manifested in Hamas largely maintaining the ceasefire in the Gaza Strip and the reconciliation agreement between Fatah and Hamas that was concluded in Cairo in October 2017. It is not likely that the two sides will succeed in achieving full reconciliation, which would require an agreement on the fate of Hamas's military wing, Hamas's joining the PLO, and the holding of elections. It is also still unclear whether the two sides are capable of honoring the more implementable elements of the agreement they reached. Still, the possibility of a political initiative by the Trump administration and the attempts to promote reconciliation by means of Egyptian pressure are indicative of a better chance of preserving the stability vis-à-vis Gaza, and of the dialogue between Israel and the government in Ramallah – which will be mediated by the Trump administration and which Hamas will be unable to disrupt – being effective.

Underlying this effort is President Trump's desire to broker the "ultimate deal" between Israel and the Palestinians. However, by the end of 2017, the team led by his son-in-law Jared Kushner and chief negotiator Jason Greenblatt has no achievement to show, suggesting that the team's period of study has just ended. Against this background, signs of doubts are emerging in Trump's midst regarding the feasibility of negotiations for a final status agreement to achieve this "deal," perhaps reflecting a preference to adopt more modest goals and a process-based approach of incremental progress. Moreover, the recognition of Jerusalem as Israel's capital prompted a Palestinian announcement on "a halt to the political process and the refusal to accept the Americans as an honest broker." It is still unclear whether the President will adhere to his more ambitious goal and, in so doing, have his team issue a document of principles for an agreement in early 2018. If he does, Israel and the Palestinians, who all remain concerned about the actions of an unpredictable President, will likely focus on responses aimed at blaming the failure of the initiative on the other side.

In Israeli society: radicalization, splits, corruption, and the undermining of institutions. The trend of waning solidarity and the diminishing sense of a unified goal in Israel continues to unfold. The tension between right and left is on the rise, accompanied by the irresponsible fanning of the flames by the political establishment, against the background of opposite views on the correct measures required to keep Israel a Jewish, democratic, secure, and just state. Revelations of corruption at different levels of government institutions have become increasingly common and are damaging public trust in the state institutions. Israeli Prime Minister Benjamin Netanyahu himself has been working in the shadow of investigations of corruption in a number of cases. Aggressive legislation against democratic attributes of the state, damage to the delicate balance among the different branches of government, and a systematic campaign aimed at weakening the media, the law enforcement authorities, and the gatekeepers of democracy have exacerbated the polarization in Israeli society and weakened its resilience. Attacks by extremist elements and reckless campaigns on social media – some with the encouragement of elements within the political establishment – against President Rivlin, the judiciary, the IDF, and other security bodies, and the repercussions of the dispute surrounding the shooting of the immobilized terrorist in Hebron have not abated. The tension between the country's Jewish population and the Arab minority has also continued to fester, and attempted legislation seeking to weaken the status of the Arab minority has added fuel to the fire. At the same time, the limited involvement of Arab citizens in terrorist attacks in Israel, particularly the attack at the Temple Mount by three Arabs in which two Border Guard personnel were killed, has sharpened the image of the Arab minority as an enemy in the eyes of wide sections of the Jewish public. On the eve of 2018, which could be an election year in Israel, severe political crises and fundamental tensions among the country's different tribal identities continue to challenge the resilience of Israeli society and the power of the strategic government-people-army trinity that lies at its core, at a time when this core is stronger than it has ever been against the external threats.

Challenges, Dilemmas, and Recommendations

Over the past decade, Israel has succeeded in adapting well to the changing reality of the Middle East, strengthening itself militarily and politically, and maneuvering in a manner that has prevented serious clashes and wars. However, as 2018 approaches, and on the threshold of a new chapter in the regional upheaval, the window of political and military opportunity provided to Israel by the crises in the regional arena and the nuclear deal with Iran appears to be narrowing. In this context, Israel must address ten key issues related to medium term and long term threats and take advantage of the opportunities.

The “short-of-war” campaign against the Iranian axis and in the northern arena. As the civil war in Syria ebbs and a new phase in the entrenchment of Iran’s presence in the area close to Israel unfolds, Israel’s major challenge in the coming years will be to contend with the operational and technological force built by Iran and its proxies in Syria and Lebanon, with an emphasis on their qualitative elements. Israel’s activity against Hezbollah buildup over the last decade evoked no significant response among its enemies in the north. From now on, Israel’s efforts will need to be manifested in a wider and more challenging campaign against the three elements of power in the north: Iran, Hezbollah, and Syria. They will have to address both Tehran’s force buildup in the northern front, and possible changes in policy regarding retaliation on the part of the Assad regime, Iran, and Hezbollah. Israel will need to act to control escalation under new conditions, i.e., whether, how, and where to attack Iranian elements, Shiite proxies throughout the Middle East, military installations and weapons production facilities, and strategic assets. The main dilemma will be how to resolve the tension between impairing enemy buildup in an effort to reduce the future threat against Israel on the one hand, and the risk of imminent escalation as a result of the action itself. Israel will also need to contend with its enemies over time by sketching the lines of demarcation and rules of the game in the new environment, particularly by combining military action and strategic communication vis-à-vis both enemy elements and Russia, a significant actor in the region that is not an enemy. Israel possesses significant leverage against Iran and Russia: its ability to undermine their success in preserving the Assad regime and maintaining stability in Syria. The survival of the Syrian regime and

the rehabilitation of the Syrian economy is a Russian-Iranian interest that Israel can leverage to its advantage.

The “first northern war” / the Third Lebanon War. Neither Israel nor Hezbollah is interested in another war against the other. Nonetheless, Israeli action aimed at hindering Iranian buildup and consolidation in Syria, coupled with Hezbollah’s being freed of the task of rescuing Assad in Syria, could lead to deterioration in the situation and escalation to the point of “the first northern war,” which will not necessarily be limited to Lebanon (or a Third Lebanon War). This war would presumably expand into a confrontation with the forces of Iran and its proxies in Syria, and perhaps also with Syrian military forces, and could be fought in parallel to a campaign against Hamas in the south. All this would turn a clash in the north into a war on a larger scale than Israel has experienced since 1973. Therefore, Israel must address the strategic and operative priorities involved in conducting a campaign against three hostile elements in the north: Syria, Hezbollah, and Iran, with a Russian presence.

More specifically, Israel must prepare for three scenarios of war in the north: war in Lebanon alone; war in Lebanon and Syria, which includes Iranian and Shiite elements operating in Lebanon; and an all-out war with Iranian intervention from Iran itself. Israel has made it clear that the rules of warfare vis-à-vis Lebanon will differ from those that were in effect in 2006. Today, Hezbollah and Lebanon are a single political and military entity, and the rules for conducting the campaign, selecting targets, and using firepower and maneuvers will be adapted to suit the current political formation in Lebanon. It will be necessary to adapt to the new conditions on the ground and the armaments the enemy has accumulated in recent years: ballistic missiles, air defenses, UAVs, anti-ship missiles, and units that will attempt to conquer settlements in the Galilee. With regard to Syria, it is not too late for Israel to help the Syrian people shape its future without Bashar al-Assad.

Amending the Iranian nuclear deal and containing Iranian aspirations for hegemony in the Middle East. Israel and the US President see eye to eye on the threat posed by Iran and the problematic nature of the Iranian nuclear deal. The ideological and rhetorical agreement between Israel and the United States must be translated into a formal agreement – a “parallel agreement” regarding the Iranian threat as a whole and revision of the

nuclear agreement at its core. Israel needs to strive to generate formal understandings with the United States that are grounded in a “bilateral parallel agreement” regarding joint strategy against a range of Iranian threats in the Middle East. This joint strategy will need to have three aims: preventing Iran from acquiring nuclear weapons or positioning itself on the nuclear threshold, “zero distance” from a nuclear weapon; curbing the subversive Iranian activity in the region and Iran’s support of terrorism; and impairing Iran’s efforts to increase its conventional capabilities that would solidify its influence in the region. Israel’s understandings with the United States must be built on three layers:

- a. *A joint response to the threats presented by the nuclear agreement in the short and long terms.* In the short run the reality with an agreement is preferable to the reality without an agreement, and will enable Israel and the United States to prepare together to contend with the more significant threats in the long term. At this stage, if Iran is not caught violating the agreement, it would be ill advised for the United States to withdraw from it. If the agreement is annulled, it is important that this be the result of an Iranian move as opposed to an American decision. The parallel agreement must define what will be considered an Iranian violation and the responses to different scenarios of violation, including an Iranian breakout to a bomb. It is important that the agreement ensure that Israel is capable, on its own, of stopping Iran if it decides to break out to a bomb within a short time, and that it is not dependent on the international response, which will require substantial time to coordinate and implement. The agreement must coordinate the intelligence effort that will complement the international supervision, and be able to replace it after the agreement’s conclusion. Within this framework, it will also be necessary to provide a solution to the threat of the proliferation of nuclear weapons to other countries in the Middle East.
- b. *Agreement on parameters for amending the nuclear agreement that address the interests of Israel and the United States:* extending the sunset clauses (regarding the major restrictions on the nuclear program), or making them conditional on a change in Iranian behavior in the non-nuclear realm; improving the international oversight of the Iranian sites that are suspected of furthering military nuclear activity; passing a new

UN Security Council resolution that will prohibit, in language that is clearer than Resolution 2231, the testing of missiles and cruise missiles capable of bearing a nuclear warhead; and ending the military embargo against Iran only after a change in Iranian policy in non-nuclear realms.

- c. *A joint struggle against non-nuclear Iranian threats.* Israeli-American strategy must be based on the understanding that Iran is responsible for the actions of its proxy states and forces in the region and therefore must be made to pay a high price for their subversive activity. In consequence, the strategy against Iranian assets in the region must be designed in response to the strategic measures implemented by Iran, as well as its tactical provocations and those of its proxies. Efforts to thwart economic and military assistance to Iran and its allies in the region, and to advance sanctions against banks doing business with organizations that do business with Iranian allies (secondary sanctions), must be expanded. Finally, the joint strategy should strive to drive a wedge between Russia and Iran, with an emphasis on the issues on which they disagree – Assad’s future and the scope of the Iranian military presence in Syria – and on improving cooperation in the realm of defense against the Iranian missile threat.

Renewing the political process and achieving the “ultimate deal.” After a year of preparations, the Trump administration intends to present its plan for achieving peace between Israel and the Palestinians. The principles, parameters, and processes for reaching the agreement are still shrouded in uncertainty, and the US announcement on Jerusalem as Israel’s capital complicates the issue. The US may also wish to compensate the Palestinians and Arab states for the Jerusalem announcement. The Israeli government, which has excellent working relations with the Trump administration, may try to influence the plan to ensure that its parameters will be unacceptable to the Palestinians, in an effort to win the “blame game.” Clearly if the process is doomed to failure, Israel must not be blamed for it. However, much more important is the need to take advantage of the current strategic conditions, which have never been more favorable to Israel. Israel’s strategic power, the Arab world’s changing attitudes toward Israel, and the extent of support from the President of the United States have together never been so positive for Israel. This situation presents Israel with a historic opportunity that it cannot afford to miss. Although the chances of reaching a final status

agreement appear slim to non-existent, measures that are accepted by the United States and other world powers could lead to critical achievements in setting future parameters for an agreement (an improvement over the Clinton parameters); in promoting the conditions necessary for formulating and successfully implementing a future agreement; and in stopping the current slide toward a one-state solution, which will necessarily not be Jewish and/or democratic. The Israeli government will need to adopt a proactive plan that ensures the ability to reach a future agreement that preserves the four fundamental pillars of the rebirth of the Jewish people in its national home: a Jewish, democratic, secure, and just state. A political framework to reach this goal will be issued by INSS in the course of 2018.

Alongside the important effort to advance a comprehensive settlement, the current reality in the Palestinian arena poses more challenges, particularly regarding internal Palestinian reconciliation and the reconstruction of the Gaza Strip. The reconciliation that is supposed to return the Palestinian Authority to the Gaza Strip did not address the major problems from Israel's perspective: Hamas's failure to accept the terms of the Quartet and the continuing operation of the organization's military wing. The reconciliation agreement will likely fail due to internal Palestinian disagreements; if so, it is best to allow it to follow the same path as all previous agreements between the PA and Hamas without taking action that will see Israel blamed for its failure. Still, the reconstruction of Gaza is now at Israel's doorstep. Humanitarian and moral reasons dictate the need to advance reconstruction. Most of the Gaza population is not to blame for the fact that Hamas, a terrorist organization, seized control of the Strip and led it into a humanitarian crisis. In addition, there is a utilitarian reason: from many perspectives (water, sewage, public health, employment, and the sense of no way out), Israel is not isolated from the Strip and is directly affected by the miserable situation there. The way to promote the reconstruction of the Gaza Strip and mitigate the crisis must be considered in light of two criteria: the ability to prevent Hamas from engaging in significant military buildup by obtaining funds and materials designated for reconstruction, and the ability to prevent the terrorist group from gaining political strength. If undertaken with all due caution, a correct reconstruction effort, in combination with the strong political backing of

the Arab countries, could constitute a platform for gradual change in Gaza's governmental structure.

Strengthening Israel's alliance with the Sunni Arab world. Israel is currently engaged in unprecedented cooperative activity with neighboring Arab countries from the pragmatic Sunni camp. Overlapping interests and common threats emanating from Iran and radical Islam have resulted in deeper cooperation with countries with which Israel has a peace treaty, as well as with the Gulf states, with which Israel does not enjoy open diplomatic relations. Warfare against a common enemy, Islamic State terrorism in Sinai, and the unequivocal support of the el-Sisi regime in Egypt – as well as 40 years of a peace treaty that has been meticulously preserved by both sides – are the basis for the continued cooperation with the largest Arab country. At the foundation of Israel's cooperation with the Gulf states, led by Saudi Arabia, are the common Iranian threat and the value of Israel's intelligence, technological, and economic capabilities for these states. The mounting strength of Saudi Crown Prince Mohammed bin Salman, who is pursuing a proactive policy and is willing to face the risks of doing so, presents Israel with another interesting space for strategic actions, alliances, and additional improvement in its geostrategic situation. The key of moving from limited clandestine cooperation to open cooperation, and, in this case, joint preparations against common enemies, is progress (not necessarily a solution) on the Palestinian issue. It is also urgent to rectify the crisis with Jordan over the Jerusalem issue and the incident in the Israeli embassy in Amman with a comprehensive plan to cooperate in contending with common threats and establish closer political relations alongside the security relations that already exist. In this context, it is necessary to conduct joint economic projects that benefit both peoples.

The challenge of the Islamic State 2.0. As a territorial and state unit, the Islamic State in Syria and Iraq has been defeated and deprived of its territorial foothold. However, it has not been defeated in the landscape of the Muslim world. Islamic State infrastructure in Libya, the Sinai Peninsula, Afghanistan, and the Golan Heights has not been eradicated and may become a destination for fighters from former Islamic State regions that have been liberated. Islamic State terror cells around the world are still active, and new centers are evolving. Most important, the idea of the Islamic State is

alive and well in social networks and mosques with radical imams. With the loss of its territorial basis, there is the danger that the Islamic State may attempt to demonstrate its vitality through showcase attacks throughout the Middle East – including Israel – and around the world. It would be prudent to take action to bring an end to the Islamic State presence in the southern Golan Heights as part of the arrangements to stabilize Syria, and to continue supporting Egypt in its war to eradicate the organization in the Sinai Peninsula. It is also important to refrain from assuming – in terms of intelligence or operationally – that this group no longer poses a threat.

The security budget and the security concept. The chances of a military clash in the northern arena in 2018 are greater than at any time in the past decade. The end of the war in Syria, the increasing Iranian presence there, and an Israeli willingness to take action against the qualitative and quantitative buildup of Iran and Hezbollah in Syria and Lebanon could drag Israel into a broad collision with Hezbollah and Iranian forces in Syria. This possibility requires accelerated preparations for a possible clash in the near future, and involves advancing major projects critical in a future war with Hezbollah and Iran, including the budget to enhance Israel's readiness for increased security tension and possible deterioration into war. At the same time, a new type of conflict requires advance preparation at all levels, from the political level to the military level. The new, broader context demands updated understandings on the fundamental concepts of deterrence, decision, maneuver, and firepower. This will require the senior political and military echelons to begin discussing the goals and targets of the possible campaign; its opening, management, and concluding stages; its boundaries; and its efforts. It is important that the cabinet engage in discussions and planning long before the clash itself begins, and not find itself dealing with these complex and critical issues during the fighting.

Maintaining and advancing Israel's legitimacy in the world. Despite its relatively strong standing among governments, Israel faces a significant crisis of legitimacy among large populations in the Middle East, Europe, and the United States. This challenge must be understood in conjunction with a troubling trend of rising anti-Semitism against Jews everywhere. The core of those responsible for the campaign against Israel consists of a unique combination of three different elements – radical Islamists, members

of the hyper-liberal left, and members of the nationalist right – who share the common strategic goal of undermining Israel’s right to exist based on various pretexts. To this end, these elements employ soft but effective elements of warfare. The issue that constitutes the major joint platform for this campaign against Israel and the Jews is the ongoing Israeli-Palestinian conflict, which, they argue, is solely the product of Israel’s intransigence. The continued conflict feeds accusations of a perpetuated occupation, racism, a policy of apartheid against the Palestinians, colonialism and oppression of the indigenous population, the violation of human and civil rights, war crimes, and genocide. The variety of claims enable those responsible for the campaign against Israel to appeal to a variety of audiences in order to mobilize them against Israel in the name of advancing a variety of agendas, thereby expanding the base of opposition to Israel. The relatively strong support enjoyed by Israel among members of the political establishment reflects a temporary advantage among an older and relatively established segment of the population. In contrast, the political strategy of those conducting the campaign poses a serious challenge for the status and security of younger Jewish populations, which represent the next generation of the establishment. Despite improving significantly in recent years, the response of Israel and its supporters still suffers from dispersed tactical management and a lack of major systemic undertakings, and therefore does not keep up with the pace of the campaign conducted by its rival network. The government’s policy in the Palestinian arena and the political arena in Israel also constitutes a significant challenge for supporters of Israel and plays into the hands of its enemies. Responding to this challenge requires integrated government and civil organizing in Israel and abroad, on the part of Jews and non-Jews, with the aim of improving intelligence components, strategy, coordination, and cooperation among pro-Israel elements.

Reaching understandings with American Jewry. The expanding fault lines between the State of Israel and the largest Jewish community outside of Israel are demarcated by numerous factors, including the change in the balance of power between the Jewish communities of Israel and the United States; the generational change and the concomitant weakened status of Jewish institutions; and the political polarization in both countries, with most Jews in the United States tending to support a liberal agenda, as opposed

to Israeli government policy, which is perceived by many as nationalist-extremist. The closeness between the Netanyahu government and President Trump, who himself is the target of broad public opposition in the United States, in addition to the decisions and statements of the Israeli government regarding religion and the troubling silence pertaining to the displays of rising anti-Semitism in the United States, only serves to sharpen and exacerbate these problematic relations. The connection to Israel among young Jews continues to weaken.

Against this background, a troubling reality is developing in which Jews are finding it increasingly difficult to defend Israel against its critics. When they are unable to resolve the tension between their sense of their ethical identity as Jews and the State of Israel, some even join the delegitimization movement. As long as Israel remains faithful to its role as the national home of the Jewish people and committed to its future and security both within its borders and in the Diaspora, it is obligated to take resolute action to heal these divisions, to bring the world's two largest Jewish communities closer together, and to infuse the relationship – which is essential to both – with new content. Empathic open dialogue on the one hand, and leadership decisions on the other hand, should also lead to an updating of the 1950 agreement between David Ben-Gurion and Yaakov Blaustein (then-president of the American Jewish Committee), which defined the close relations between the State of Israel and American Jewry in a manner that institutionalizes the relationship on a basis of strong partnership and a forging of the essential connection between them.

Revitalizing solidarity and internal reconciliation, and launching measures to reduce the tensions within Israel. It is important that the Israeli leadership display determined statesmanship, which includes fervent and resolute defense of the judicial system and law enforcement, and the IDF and security elements. Silence in face of attacks on these institutions, along with support of those who undermine these institutions, leads Israel toward a non-democratic future. The gatekeepers of democracy must be strengthened – the legal advisors, the judiciary, the state comptroller, the political opposition, and the media. At the same time, there must be a principled debate on what constitutes legitimate scope of criticism of the government – not to be confused with the criticism itself. In addition, there should be